



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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Contact: Communications Division (619) 235-5725

EX-CITY OFFICIALS CHARGED WITH FRAUD BY SEC ARE RECEIVING CITY PENSIONS

San Diego, CA—Three of the five City employees charged by the U.S. Securities and Exchange Commission (SEC) with fraud last week in connection with issuing false and misleading financial statements in five City bond offerings are retired from the City of San Diego and receiving a pension.

According to documents provided by the San Diego City Employees' Retirement System (SDCERS) to the San Diego City Attorney's Office the following ex-City officials are receiving pensions:

Patricia Frazier, former Deputy City Manager for Finance: retired effective September 25, 2006, with 35.80 years of creditable service. Her monthly pension benefit is \$13,685.66

Ed Ryan, former Auditor & Comptroller: retired from DROP effective July 17, 2004, with 24.76 years of creditable service. His monthly pension benefit is \$10,165.62

Michael Uberuaga, former San Diego City Manager: retired from DROP effective June 23, 2004 with 10.40 years of creditable service. His monthly pension benefit is \$5,053.77.

Former City Treasurer Mary Vattimo (20.02 years of creditable service) and former Assistant Auditor & Comptroller Terri Webster (26.03 years of creditable service) are not service age-eligible to retire. Both have left City employment are deferred members of SDCERS.

Last week, City Attorney Michael Aguirre determined that there is a sufficient factual basis for the Council to deny paying the legal defense fees for four of the five defendants in the SEC fraud complaint.

According to Aguirre, if the City Council determines that the former employees acted because of actual fraud or corruption, then the City is not required to provide a defense. Aguirre cited California Code Section 995.2 that provides an exception to the general rule which requires that a defense must be provided to employees.

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